

LEASE AGREEMENT
(Multi-Tenant Gross Lease)
(Continued)

THIS LEASE AGREEMENT (the "Lease") is entered into this 2nd day of January, 2008 between

RAINIER COMMONS, L.L.C. ("Landlord"), and Charlie Lorme, (doing business as GROOVEUNIVERSE, LLC.), as Tenant ("Tenant").

Landlord and Tenant agree as follows:

1. LEASE SUMMARY.

a. **Leased Premises.** The leased commercial real estate (the "Premises") consists of an agreed area of 20,077 rentable square feet and are outlined on the floor plan attached as Exhibit A, located on the land legally described on attached Exhibit B, and is commonly known as 3100 Airport Way South Seattle WA consisting of approximately 240,000 SF of buildings. Tenant to lease Building 6&7 level 200, Building 7, 22&25, level 300 in its entirety (suite number and address). The Premises do not include, and Landlord reserves, the exterior walls and roof of the Premises, the land beneath the Premises, the pipes and ducts, conduits, wires, fixtures, and equipment above any suspended ceiling and structural elements of the building in which the Premises are located (the "Building"). The Building, the land upon which it is situated, all other improvements located on such land, and all common areas appurtenant to the Building are referred to herein as the "Property."

b. **Lease Commencement Date.** The Lease shall commence January 1st, 2008. Should landlord be unable to deliver the space on the date mentioned above then possession and occupancy will be delayed to a later date acceptable to both parties.

c. **Lease Termination Date.** The Lease shall terminate at midnight on the date provided in Section in the "Rent Rider" document attached to this lease.

d. **Base Rent.** The base monthly rent shall be (check one): ☐ \$____, or ☒ according to the Rent Rider attached hereto. Rent shall be payable at Landlord's address shown in Section 1(h) below, or such other place designated in writing by Landlord.

e. **Prepaid Rent.** On Jan 1st, 2008 tenant shall deliver to landlord the sum of \$5000.00 as a deposit toward the payment of \$19600.00 (\$26100 - \$5000 - \$1500) due on May 1st, 2008. This sum is considered to represent the first and last months' rent.

Upon execution of this lease, the tenant will pay a deposit of \$1,500 toward the first month's rent.

f. **Permitted Use.** The Premises shall be used only for the music rehearsal studios (24 hours, 7 days a week - 365 days a year), and other business activities related to tenant's business and for no other purpose without the prior written consent of Landlord. It is anticipated that Groove universe will sublease room 25-333 to Bill Whelan for the operation of a bar/venue. The Landlord accepts that sublease as a permitted use, subject to Tenant's obtaining proper permits and licenses at Tenant's sole cost and expense.

g. Notice and Payment Addresses:

Landlord: _____ Fax No.: 260 447 0299

Tenant: _____ Fax No.: _____

h. RCLLC C/O - Ariel Development 3317 3rd Ave S. Seattle WA 98134.

i. Charlie Lorme, Groove Universe LLC, C/O James Rosenberger, Esq. 4005 20th Ave W. #219, Seattle WA 98199 or such other address the Tenant may provide in writing in the future.

2. PREMISES. Landlord leases to Tenant, and Tenant leases from Landlord the Premises upon the terms specified in this Lease.

3. TERM.

a. **Commencement Date.** The Lease shall commence on the date specified in Section 1(b). Landlord will deliver possession of the Premises to Tenant on the date specified in Section 1(b). The first "Lease Year" shall commence on the Commencement Date and shall end on the date which is twelve (12) months from the end of the month in which the Commencement Date occurs. Each successive Lease Year during the initial term and any extension terms shall be twelve (12) months, commencing on the first day following the end of the preceding Lease Year, except that the last Lease Year shall end on the Termination Date. Tenant is entitled to terminate this lease without cost, penalty or forfeiture of deposit for any reason up to January 1, 2009, upon not less than three (3) months written notice prior to such date.

b. **Early Possession.** Tenant shall, to the extent Landlord is able, receive early possession prior to commencement day, to begin construction (and for construction purposes only) to the Premises during the Landlord's construction process. The purpose of the early possession is to allow the Tenant a greater period of time for build out and construction coordination

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without extending the abated rent period. Any such work will need to be coordinated with Landlord's work and approved by Landlord prior to commencement. Notwithstanding anything to the contrary contained herein, all obligations of Tenant under this Lease, other than the payment of rent which shall commence on the Commencement Date, shall commence and be effective on the date that Tenant takes possession of the Premises.

- c. **Tenant Obligations.** To the extent Tenant's tenant improvements are not completed prior to the Commencement Date, the Lease shall nevertheless commence on the Commencement Date.

Except as specified elsewhere in this Lease, Landlord makes no representations or warranties to Tenant regarding the Premises, including the structural condition of the Premises and the condition of all mechanical, electrical, and other systems on the Premises. Except for any tenant improvements described on attached Exhibit C to be completed by Landlord (defined therein as "Landlord's Work"), Tenant shall be responsible for performing any work necessary to bring the Premises into condition satisfactory to Tenant. By signing this Lease, Tenant acknowledges that it has had adequate opportunity to investigate the Premises, acknowledges responsibility for making any corrections, alterations and repairs to the Premises (other than the Landlord's Work), and acknowledges that the time needed to complete any such items shall not delay the Commencement Date.

Attached Exhibit C sets forth all Landlord's Work, if any. If Tenant fails to notify Landlord of any defects in the Landlord's Work within ten (10) days of delivery of possession to Tenant, Tenant shall be deemed to have accepted the Premises in their then condition. If Tenant discovers any major defects in the Landlord's Work during this 10-day period that would prevent Tenant from using the Premises for its intended purpose, Tenant shall so notify Landlord in writing and the Commencement Date shall be delayed until after Landlord has corrected the major defects and Tenant has had five (5) days to inspect and approve the Premises after Landlord's correction of such defects. The Commencement Date shall not be delayed if Tenant's inspection reveals minor defects in the Landlord's Work that will not prevent Tenant from using the Premises for their intended purpose. Tenant shall prepare a punch list of all minor defects and provide the punch list to Landlord. Landlord shall promptly correct all punch list items.

4. **RENT.** Tenant shall pay Landlord without demand, deduction or offset, in lawful money of the United States, the monthly rental stated in Section 1(d) in advance on or before the fifteenth (15th) day of each month during the Lease Term beginning on the date set forth in the Rent Rider attached hereto along with all additional payments due to Landlord (collectively the "Rent") required under this Lease. Payments for any partial month at the beginning or end of the Lease term shall be prorated.

a. **Late Rent Fee.** If any sums payable by Tenant to Landlord under this Lease are not received by the twentieth (20th) day of each month, Tenant shall pay Landlord in addition to the amount due, for the cost of collecting and handling such late payment, an amount equal to the greater of \$100 or five percent (5%) of the delinquent amount. In addition, all delinquent sums payable by Tenant to Landlord and not paid within five days of the due date shall, at Landlord's option, bear interest at the rate of twelve percent (12%) per annum, or the highest rate of interest allowable by law, whichever is less. Interest on all delinquent amounts shall be calculated from the original due date to the date of payment.

Landlord's acceptance of less than the full amount of any payment due from Tenant shall not be deemed an accord and satisfaction or compromise of such payment unless Landlord specifically consents in writing to payment of such lesser sum as an accord and satisfaction or compromise of the amount which Landlord claims.

b. **Rental Abatement.** Landlord to provide four (4) months rent abatement (move-in grace period).

5. **USES.** The Premises shall be used only for the use(s) specified in Section 1(f) above (the "Permitted Use"), and for no other business or purpose without the prior written consent of Landlord. No act shall be done on or around the Premises that is unlawful or that will increase the existing rate of insurance on the Premises or the Building, or cause the cancellation of any insurance on the Premises or the Building. Tenant shall not commit or allow to be committed any waste upon the Premises, or any public or private nuisance. Tenant shall not do or permit anything to be done in the Premises or on the Property which will obstruct or interfere with the rights of other tenants or occupants of the Property, or their customers, clients and visitors, or to injure or annoy such persons.

7. **COMPLIANCE WITH LAWS.** Tenant shall not cause or permit the Premises to be used in any way which violates any law, ordinance, or governmental regulation or order. Landlord represents to Tenant, to the best of Landlord's actual knowledge, that with the exception of any Alterations made by Tenant as of the Commencement Date, the Premises comply with all applicable laws, rules, regulations, or orders. Tenant shall be responsible for complying with all laws applicable to the Premises as a result of Tenant's particular use, such as modifications required by the Americans With Disabilities Act as a result of Tenant opening the Premises to the public as a place of public accommodation. If the enactment or enforcement of any law, ordinance, regulation or code during the Lease term requires any changes to the Premises during the Lease term, the Tenant shall perform all such changes at its expense if the changes are required due to the nature of Tenant's activities at the

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Premises, or to alterations that Tenant seeks to make to the Premises.

8. **UTILITIES AND SERVICES.** Tenant shall pay for the following separately metered (per tenant) services: water, electricity and gas for the Premises seven (7) days per week, twenty-four (24) hours per day. Tenant shall furnish and pay, at Tenant's sole expense, all other utilities and services (including, but not limited to, garbage, telephone, telephone for secure entry and cable service if available) which Tenant requires with respect to the Premises.
9. **TAXES.** Tenant shall pay all taxes, assessments, liens and license fees ("Taxes") levied, assessed or imposed by any authority having the direct or indirect power to tax or assess any such liens, by reason of Tenant's use of the Premises, and all Taxes on Tenant's personal property located on the Premises. Landlord shall pay all Taxes with respect to the Building and the Project, including any Taxes resulting from a reassessment of the Building or the Project due to a change of ownership or otherwise and shall be reimbursed by Tenant for Tenant's pro-rata share as set forth on Exhibit D.
10. **COMMON AREAS.**
 - a. **Definition.** The term "Common Areas" means all areas and facilities that are provided and designated from time to time by Landlord for the general non-exclusive use and convenience of Tenant with other tenants and which are not leased or held for the exclusive use of Landlord or of a particular tenant. Common Areas may, but do not necessarily include, hallways, entryways, stairs, elevators, driveways, walkways, terraces, docks, loading areas, restrooms, trash facilities, parking areas and garages, roadways, pedestrian sidewalks, landscaped areas, security areas and lobby or mall areas. Tenant shall comply with reasonable rules and regulations concerning the use of the common areas adopted by Landlord from time to time. Without advance notice to Tenant and without any liability to Tenant, Landlord may change the size, use, or nature of any common areas, erect improvements on the Common Areas or convert any portion of the Common Areas to the exclusive use of Landlord or selected tenants, so long as Tenant is not thereby deprived of the substantial benefit of the Premises. Landlord reserves the use of exterior walls and the roof, and the rights to install, maintain, use, repair and replace pipes, ducts, conduits, and wires leading through the Premises in areas which will not materially interfere with Tenant's use thereof.
 - b. **Use of the Common Areas.** Tenant shall have the non-exclusive right in common with Landlord and such other tenants to whom Landlord has granted or may grant such rights to use the Common Areas. Tenant shall abide by rules and regulations adopted by Landlord from time to time and shall use its best efforts to cause its employees, contractors, and invitees to comply with those rules and regulations, and not interfere with the use of Common Areas by others. At all times Tenant will have right of use of the elevators in building 25 and building 22 between levels 400, 300 & 200, the entrances and access ways that directly serve the Premises (courtyard level 200 entrance, back road building 25 and building 22 entrances and south building 25 direct entrance.)
 - c. **Maintenance of Common Areas.** Landlord shall maintain the Common Areas in good order, condition and repair and Tenant shall pay its pro-rata share of the expenses as set forth on Exhibit D.
11. **TRIPLE NET** Tenant shall pay the amount set forth in Exhibit D attached hereto for common area maintenance, property taxes and insurance of "Landlord".
12. **ALTERATIONS.** Tenant may make alterations, additions or improvements to the Premises, with the prior written consent of Landlord ("alterations"). The term "Alterations" shall not include the installation of shelves, movable partitions, Tenant's equipment, and trade fixtures which may be performed without damaging existing improvements or the structural integrity of the Premises, and Landlord's consent shall not be required for Tenant's installation of those items. Tenant shall complete all Alterations at Tenant's expense in compliance with all applicable laws and in accordance with plans and specifications approved by Landlord, using contractors approved by Landlord, and in a manner so as to not unreasonably interfere with other tenants. Landlord shall be deemed the owner of all Alterations except for those which Landlord requires to be removed at the end of the Lease term. Tenant shall remove all Alterations at the end of the Lease term unless Landlord conditioned its consent upon Tenant leaving a specified Alteration at the Premises, in which case Tenant shall not remove such Alteration. Tenant shall immediately repair any damage to the Premises caused by removal of Alterations.
13. **REPAIRS AND MAINTENANCE.** Tenant shall, at its sole expense, maintain the Premises in good condition and promptly make all repairs and replacements, whether structural or non-structural, necessary to keep the Premises safe and in good condition, including all utilities and other systems serving the Premises. Landlord shall maintain and repair the Building structure, foundation, exterior walls, and roof, and the Common Areas. Tenant shall not damage any demising wall or disturb the structural integrity of the Premises and shall promptly repair any damage or injury done to any such demising walls or structural elements caused by Tenant or its employees, agents, contractors, or invitees. If Tenant fails to maintain or repair the Premises, Landlord may enter the Premises and perform such repair or maintenance on behalf of Tenant. In such case,

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Tenant shall be obligated to pay to Landlord immediately upon receipt of demand for payment, as additional Rent, all costs incurred by Landlord in making such repairs, with interest at the rate of twelve percent (12%) per annum to the date of payment. Notwithstanding anything in this Section to the contrary, Tenant shall not be responsible for any repairs to the Premises made necessary by the negligent acts of Landlord or its agents, employees, contractors or invitees therein.

Upon expiration of the Lease term, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises, together with all keys, to Landlord in as good condition as when received by Tenant from Landlord or as thereafter improved, reasonable wear and tear and insured casualty excepted.

14. ACCESS AND RIGHT OF ENTRY. After 24 hours notice from Landlord (except in cases of emergency, where no notice is required), Tenant shall permit Landlord and its agents, employees and contractors to enter the Premises at all reasonable times to make repairs, alterations, improvements or inspections. This Section shall not impose any repair or other obligation upon Landlord not expressly stated elsewhere in this Lease. After 24 hours notice to Tenant, Landlord shall have the right to enter the Premises for the purpose of showing the Premises to prospective purchasers or lenders at any time, and to prospective tenants within 180 days prior to the expiration or sooner termination of the Lease term.

14. SIGNAGE. No signs are permitted on the exterior wall or roof of the entire building. However, Tenant will be allowed to install reasonably sized signs above the doorways leading to the premises. Subject to the Landlord's approval.

15. DESTRUCTION OR CONDEMNATION.

a. Damage and Repair. If the Premises are partially damaged but not rendered untenable, by fire or other insured casualty, then Landlord shall diligently restore the Premises and this Lease shall not terminate; provided, however, Tenant may terminate the Lease if Landlord is unable to restore the Premises within six (6) months of the casualty event. The Premises shall not be deemed untenable if less than Ten percent (10%) of each of those areas are damaged. Notwithstanding the foregoing, Landlord shall have no obligation to restore the Premises if insurance proceeds are not available to pay the entire cost of such restoration. If insurance proceeds are available to Landlord but are not sufficient to pay the entire cost of restoration, then Landlord may elect to terminate this Lease and keep the insurance proceeds, by notifying Tenant within sixty (60) days of the date Landlord learns of such casualty.

If the Premises or 50% or more of the rentable area of the Property are entirely destroyed, or partially damaged and rendered untenable, by fire or other casualty, Landlord may, at its option: (a) terminate this Lease as provided herein, or (b) restore the Premises to their previous condition; provided, however, if such casualty event occurs during the last 6 months of the Lease term (after considering any option to extend the term timely exercised by Tenant) then either Tenant or Landlord may elect to terminate the Lease. If, within 60 days after receipt by Landlord from Tenant of written notice that Tenant deems the Premises untenable, Landlord fails to notify Tenant of its election to restore the Premises, or if Landlord is unable to restore the Premises within six (6) months of the date of the casualty event, then Tenant may elect to terminate the Lease.

If Landlord restores the Premises Landlord shall proceed with reasonable diligence to complete the work, and the base Rent shall be abated in the same proportion as the untenable portion of the Premises bears to the whole Premises, provided that there shall be a rent abatement only if the damage or destruction of the Premises did not result from, or was not contributed to directly or indirectly by the act, fault or neglect of Tenant, or Tenant's officers, contractors, licensees, agents, servants, employees, guests, invitees or visitors. No damages, compensation or claim shall be payable by Landlord for inconvenience, loss of business or annoyance directly, incidentally or consequentially arising from any repair or restoration of any portion of the Premises or the Property. Landlord will not carry insurance of any kind for the protection of Tenant or any improvements paid for by Tenant or on Tenant's furniture or on any fixtures, equipment, improvements or appurtenances of Tenant under this Lease, and Landlord shall not be obligated to repair any damage thereto or replace the same unless the damage is caused by Landlord's negligence.

b. Condemnation. If the Premises or 50% or more of the rentable area of the Property are made untenable by eminent domain, or conveyed under a threat of condemnation, this Lease shall terminate at the option of either Landlord or Tenant as of the earlier of the date title vests in the condemning authority or the condemning authority first has possession of the Premises and all Rents and other payments shall be paid to that date. In case of taking of a part of the Premises or the portion of the Property necessary for Tenant's occupancy that does not render those areas untenable, then this Lease shall continue in full force and effect and the base Rent shall be equitably reduced based on the proportion by which the floor area of any structures is reduced, such reduction in Rent to be effective as of the earlier of the date the condemning authority first has possession of such portion or title vests in the condemning authority. The Premises shall not be deemed untenable if less than twenty-five percent (25%) of the Property is condemned. Landlord shall be entitled to the entire award from the condemning authority attributable to the value of the Premises or the Property and Tenant shall make no claim for the value of its leasehold. Tenant shall be permitted to make a separate claim against the condemning authority for moving expenses or damages resulting from interruption in its business, provided that in no event shall Tenant's claim reduce Landlord's award.

16. INSURANCE.

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- a. **Liability Insurance.** During the Lease term, Tenant shall pay for and maintain commercial general liability insurance with broad form property damage and contractual liability endorsements. This policy shall name Landlord as an additional insured, and shall insure Tenant's activities and those of Tenant's employees, officers, contractors, licensees, agents, servants, employees, guests, invitees or visitors with respect to the Premises against loss, damage or liability for personal injury or death or loss or damage to property with a combined single limit of not less than \$1,000,000, and a deductible of not more than \$5,000. The insurance will be non-contributory with any liability insurance carried by Landlord.
- b. **Tenants Insurance.** During the Lease term, Tenant shall pay for and maintain replacement cost fire and extended coverage insurance, with vandalism and malicious mischief, sprinkler leakage and earthquake endorsements, in an amount sufficient to cover not less than 100% of the full replacement cost, as the same may exist from time to time, of all of Tenant's personal property, fixtures, equipment and tenant improvements.
- c. **Miscellaneous.** Insurance required under this Section shall be with companies rated A-V or better in Best's Insurance Guide, and which are authorized to transact business in the State of Washington. No insurance policy shall be cancelled or reduced in coverage and each such policy shall provide that it is not subject to cancellation or a reduction in coverage except after thirty (30) days' prior written notice to Landlord. Tenant shall deliver to Landlord upon commencement of the Lease and from time to time thereafter, copies or certificates of the insurance policies required by this Section. In no event shall the limit of such policies be considered as limiting the liability of Tenant under this Lease.
- d. **Landlord Insurance.** Landlord shall obtain standard form extended coverage fire insurance of the building shell and core in the amount of their full replacement value, and such other insurance of such types and amounts as Landlord, in its discretion, shall deem reasonably appropriate. Tenant shall reimburse Landlord for Tenant's pro-rata share of such insurance as set forth herein. In addition to the foregoing, in the event Tenant fails to provide or keep in force any of the insurance as required above, Landlord, in its discretion, may provide such insurance, in which event, the cost thereof shall be payable by Tenant to Landlord as additional rent on the first day of the calendar month immediately following demand therefor from Landlord, plus interest on such cost at the rate of twelve percent (12%) per annum.
- e. **Waiver of Subrogation.** Landlord and Tenant hereby release each other and any other tenant, their agents or employees, from responsibility for, and waive their entire claim of recovery for any loss or damage arising from any cause covered by insurance. Each party shall provide notice to the insurance carrier or carriers of this mutual waiver of subrogation, and shall cause its respective insurance carriers to waive all rights of subrogation against the other. This waiver shall not apply to the extent of the deductible amounts to any such policies or to the extent of liabilities exceeding the limits of such policies.
17. **INDEMNIFICATION.** Tenant shall defend, indemnify, and hold Landlord harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, arising from any act, omission or negligence of Tenant, or Tenant's officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors, or arising from any breach of this Lease by Tenant. Tenant shall use legal counsel acceptable to Landlord in defense of any action within Tenant's defense obligation. Landlord shall defend, indemnify and hold Tenant harmless against all liabilities, damages, costs, and expenses, including attorneys' fees, arising from any negligent or wrongful act or omission of Landlord or Landlord's officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors on or around the Premises or arising from any breach of this Lease by Landlord. Landlord shall use legal counsel acceptable to Tenant in defense of any action within Landlord's defense obligation. The provisions of this section 17 shall survive expiration or termination of this Lease.
18. **ASSIGNMENT.** Tenant shall not assign, mortgage, encumber or otherwise transfer any interest in this Lease (collectively referred to as a "Transfer"), without first obtaining Landlord's written consent, which shall not be unreasonable withheld. No Transfer shall relieve Tenant of any liability under this Lease notwithstanding Landlord's consent to such Transfer. Consent to any Transfer shall not operate as a waiver of the necessity for Landlord's consent to any subsequent Transfer. If Tenant is a partnership, limited liability company, corporation, or other entity, any transfer of this Lease by merger, consolidation, redemption or liquidation, or any change(s) in the ownership of, or power to vote, which singularly or collectively represents a majority of the beneficial interest in Tenant, shall constitute a Transfer under this Section.
19. **LIENS.** Tenant shall keep the Premises free from any liens created by or through Tenant. Tenant shall indemnify and hold Landlord harmless from liability from any such liens including, without limitation, liens arising from any Alterations. If a lien is filed against the Premises by any person claiming by, through or under Tenant, Tenant shall, upon request of Landlord, at Tenant's expense, immediately furnish to Landlord a bond in form and amount and issued by a surety satisfactory to Landlord, indemnifying Landlord and the Premises against all liabilities, costs and expenses, including attorneys' fees, which Landlord could reasonably incur as a result of such lien(s).
20. **DEFAULT.** The following occurrences shall each be deemed an Event of Default by Tenant:
- a. **Failure To Pay.** Tenant fails to pay any sum, including Rent, due under this Lease following five (5) days written notice from Landlord of the failure to pay.
- b. **Vacation/Abandonment.** Tenant vacates the Premises (defined as an absence for at least 15 consecutive days without

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prior notice to Landlord), or Tenant abandons the Premises (defined as an absence of five (5) days or more while Tenant is in breach of some other term of this Lease). Tenant's vacation or abandonment of the Premises shall not be subject to any notice or right to cure.

c. **Insolvency.** Tenant becomes insolvent, voluntarily or involuntarily bankrupt, or a receiver, assignee or other liquidating officer is appointed for Tenant's business, provided that in the event of any involuntary bankruptcy or other insolvency proceeding, the existence of such proceeding shall constitute an Event of Default only if such proceeding is not dismissed or vacated within 60 days after its institution or commencement.

d. **Levy or Execution.** Tenant's interest in this Lease or the Premises, or any part thereof, is taken by execution or other process of law directed against Tenant, or is taken upon or subjected to any attachment by any creditor of Tenant, if such attachment is not discharged within 15 days after being levied.

e. **Other Non-Monetary Defaults.** Tenant breaches any agreement, term or covenant of this Lease other than one requiring the payment of money and not otherwise enumerated in this Section, and the breach continues for a period of 30 days after notice by Landlord to Tenant of the breach.

f. **Failure to Take Possession.** Tenant fails to take possession of the Premises on the Commencement Date.

21. REMEDIES.

Landlord shall have the following remedies upon an Event of Default in addition to all other remedies available at law or in equity. Landlord's rights and remedies under this Lease shall be cumulative, and none shall exclude any other right or remedy allowed by law or in equity.

a. **Termination of Lease.** Landlord may terminate Tenant's interest under the Lease, but no act by Landlord other than written notice from Landlord to Tenant of termination shall terminate this Lease. The Lease shall terminate on the date specified in the notice of termination. Upon termination of this Lease, Tenant will remain liable to Landlord for damages in an amount equal to the rent and other sums that would have been owing by Tenant under this Lease for the balance of the Lease term, less the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to the termination, after deducting all Landlord's Reletting Expenses (as defined below). Landlord shall be entitled to either collect damages from Tenant monthly on the days on which rent or other amounts would have been payable under the Lease, or alternatively, Landlord may accelerate Tenant's obligations under the Lease and recover from Tenant: (i) unpaid rent which had been earned at the time of termination; (ii) the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of rent loss that Tenant proves could reasonably have been avoided; (iii) the amount by which the unpaid rent for the balance of the term of the Lease after the time of award exceeds the amount of rent loss that Tenant proves could reasonably be avoided (discounting such amount by the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%); and (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under the Lease, or which in the ordinary course would be likely to result from the Event of Default, including without limitation Reletting Expenses described in Section 21b.

b. **Re-Entry and Reletting.** Landlord may continue this Lease in full force and effect, and without demand or notice, re-enter and take possession of the Premises or any part thereof, expel the Tenant from the Premises and anyone claiming through or under the Tenant, and remove the personal property of either. Landlord may relet the Premises, or any part of them, in Landlord's or Tenant's name for the account of Tenant, for such period of time and at such other terms and conditions, as Landlord, in its discretion, may determine. Landlord may collect and receive the rents for the Premises. Re-entry or taking possession of the Premises by Landlord under this Section shall not be construed as an election on Landlord's part to terminate this Lease, unless a written notice of termination is given to Tenant. Landlord reserves the right following any re-entry or reletting, or both, under this Section to exercise its right to terminate the Lease. During the Event of Default, Tenant will pay Landlord the rent and other sums which would be payable under this Lease if repossession had not occurred, plus the net proceeds, if any, after reletting the Premises, after deducting Landlord's Reletting Expenses. "Reletting Expenses" is defined to include all expenses incurred by Landlord in connection with reletting the Premises, including without limitation, all repossession costs, brokerage commissions, attorneys' fees, remodeling and repair costs, costs for removing and storing Tenant's property and equipment, and rent concessions granted by Landlord to any new Tenant, prorated over the life of the new lease.

c. **Waiver of Redemption Rights.** Tenant, for itself, and on behalf of any and all persons claiming through or under Tenant, including creditors of all kinds, hereby waives and surrenders all rights and privileges which they may have under any present or future law, to redeem the Premises or to have a continuance of this Lease for the Lease term, as it may have been extended.

d. **Nonpayment of Additional Rent.** All costs which Tenant agrees to pay to Landlord pursuant to this Lease shall in the event of nonpayment be treated as if they were payments of Rent, and Landlord shall have all the rights herein provided for in case of nonpayment of Rent.

e. **Failure to Remove Property.** If Tenant fails to remove any of its property from the Premises at Landlord's request

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following an uncured Event of Default, Landlord may, at its option, remove and store the property at Tenant's expense and risk. If Tenant does not pay the storage cost within five (5) days of Landlord's request, Landlord may, at its option, have any or all of such property sold at public or private sale (and Landlord may become a purchaser at such sale), in such manner as Landlord deems proper, without notice to Tenant. Landlord shall apply the proceeds of such sale: (i) to the expense of such sale, including reasonable attorneys' fees actually incurred; (ii) to the payment of the costs or charges for storing such property; (iii) to the payment of any other sums of money which may then be or thereafter become due Landlord from Tenant under any of the terms hereof; and (iv) the balance, if any, to Tenant. Nothing in this Section shall limit Landlord's right to sell Tenant's personal property as permitted by law to foreclose Landlord's lien for unpaid rent.

- 22. MORTGAGE SUBORDINATION AND ATTORNMEN.** This Lease shall automatically be subordinate to any mortgage or deed of trust created by Landlord which is now existing or hereafter placed upon the Premises including any advances, interest, modifications, renewals, replacements or extensions ("Landlord's Mortgage"), provided the holder of any Landlord's Mortgage or any person(s) acquiring the Premises at any sale or other proceeding under any such Landlord's Mortgage shall elect to continue this Lease in full force and effect. Tenant shall attorn to the holder of any Landlord's Mortgage or any person(s) acquiring the Premises at any sale or other proceeding under any Landlord's Mortgage provided such person(s) assume the obligations of Landlord under this Lease. Tenant shall promptly and in no event later than fifteen (15) days execute, acknowledge and deliver documents which the holder of any Landlord's Mortgage may reasonably require as further evidence of this subordination and attornment. Notwithstanding the foregoing, Tenant's obligations under this Section are conditioned on the holder of each of Landlord's Mortgage and each person acquiring the Premises at any sale or other proceeding under any such Landlord's Mortgage not disturbing Tenant's occupancy and other rights under this Lease, so long as no uncured Event of Default exists.
- 23. NON-WAIVER.** Landlord's waiver of any breach of any term contained in this Lease shall not be deemed to be a waiver of the same term for subsequent acts of Tenant. The acceptance by Landlord of Rent or other amounts due by Tenant hereunder shall not be deemed to be a waiver of any breach by Tenant preceding such acceptance.
- 24. HOLDOVER.** If Tenant shall, without the written consent of Landlord, hold over after the expiration or termination of the Term, such tenancy shall be deemed to be on a month-to-month basis and may be terminated according to Washington law. During such tenancy, Tenant agrees to pay to Landlord 125% the rate of rental last payable under this Lease, unless a different rate is agreed upon by Landlord. All other terms of the Lease shall remain in effect.
- 25. NOTICES.** All notices under this Lease shall be in writing and effective (i) when delivered in person, (ii) three (3) days after being sent by registered or certified mail to Landlord or Tenant, as the case may be, at the Notice Addresses set forth in Section 1(h); or (iii) upon confirmed transmission by facsimile to such persons at the facsimile numbers set forth in Section 1(h) or such other addresses/facsimile numbers as may from time to time be designated by such parties in writing.
- 26. COSTS AND ATTORNEYS' FEES.** If Tenant or Landlord engage the services of an attorney to collect monies due or to bring any action for any relief against the other, declaratory or otherwise, arising out of this Lease, including any suit by Landlord for the recovery of Rent or other payments, or possession of the Premises, the losing party shall pay the prevailing party a reasonable sum for attorneys' fees in such suit, at trial and on appeal and in any arbitration or mediation.
- 27. ESTOPPEL CERTIFICATES.** Tenant shall, from time to time, upon written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement specifying the following, subject to any modifications necessary to make such statements true and complete: (i) the date the Lease term commenced and the date it expires; (ii) the amount of minimum monthly Rent(including additional payments), and the date to which such Rent has been paid; (iii) that this Lease is in full force and effect and has not been assigned, modified, supplemented or amended in any way; (iv) that this Lease represents the entire agreement between the parties; (v) that all conditions under this Lease to be performed by Landlord have been satisfied; (vi) that there are no existing claims, defenses or offsets which the Tenant has against the enforcement of this Lease by Landlord; (vii) that no Rent has been paid more than one month in advance; and (viii) that no security has been deposited with Landlord (or, if so, the amount thereof). Any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or assignee of any mortgage or new mortgagee of Landlord's interest in the Premises. If Tenant shall fail to respond within ten (10) days of receipt by Tenant of a written request by Landlord as herein provided, Tenant shall be deemed to have given such certificate as above provided without modification and shall be deemed to have admitted the accuracy of any information supplied by Landlord to a prospective purchaser or mortgagee.
- 28. TRANSFER OF LANDLORD'S INTEREST.** This Lease shall be assignable by Landlord without the consent of Tenant. In the event of any transfer or transfers of Landlord's interest in the Premises, other than a transfer for security purposes only, upon the assumption of this Lease by the transferee, Landlord shall be automatically relieved of obligations and liabilities accruing from and after the date of such transfer, except for any retained security deposit or prepaid rent, and Tenant shall attorn to the transferee.
- 29. RIGHT TO PERFORM.** If Tenant shall fail to timely pay any sum or perform any other act on its part to be performed hereunder, Landlord may make any such payment or perform any such other act on Tenant's part to be made or performed as provided in this Lease. Tenant shall, on demand, reimburse Landlord for its expenses incurred in making such payment or performance, plus interest at the rate of twelve percent (12%) per annum to the date of payment. Landlord shall (in addition to

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NON-BINDING DOCUMENT
Multi-Tenant Gross Lease
(Continued)

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any other right or remedy of Landlord provided by law) have the same rights and remedies in the event of the nonpayment of sums due under this Section as in the case of default by Tenant in the payment of Rent.

30. **HAZARDOUS MATERIAL.** Landlord represents and warrants to Tenant that, to the best of Landlord's knowledge, there is no "Hazardous Material" (as defined below) in the Premises as of the Commencement Date except as disclosed to tenant in the good faith report. Landlord shall provide "good faith" report & hazardous materials manual prior to early possession. It is the responsibility of the Tenant to maintain the premises in a manner that does not violate the hazardous materials manual or any regulations regarding such materials.

Tenant shall not cause or permit any Hazardous Material to be brought upon, kept, or used in or about, or disposed of on the Premises by Tenant, its agents, employees, contractors or invitees, except in strict compliance with all applicable federal, state and local laws, regulations, codes and ordinances. If Tenant breaches the obligations stated in the preceding sentence, then Tenant shall indemnify, defend and hold Landlord harmless from any and all claims, judgments, damages, penalties, fines, costs, liabilities or losses including, without limitation, diminution in the value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises, or elsewhere, damages arising from any adverse impact on marketing of space at the Premises, and sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees incurred or suffered by Landlord either during or after the Lease term. These indemnifications by Landlord and Tenant include, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work, whether or not required by any federal, state or local governmental agency or political subdivision, because of Hazardous Material present in the Premises, or in soil or ground water on or under the Premises. Tenant shall immediately notify Landlord of any inquiry, investigation or notice that Tenant may receive from any third party regarding the actual or suspected presence of Hazardous Material on the Premises.

Without limiting the foregoing, if the presence of any Hazardous Material brought upon, kept or used in or about the Premises by Tenant, its agents, employees, contractors or invitees, results in any unlawful release of Hazardous Materials on the Premises or any other property, Tenant shall promptly take all actions, at its sole expense, as are necessary to return the Premises or any other property, to the condition existing prior to the release of any such Hazardous Material; provided that Landlord's approval of such actions shall first be obtained, which approval may be withheld at Landlord's sole discretion.

As used herein, the term "Hazardous Material" means any hazardous, dangerous, toxic or harmful substance, material or waste including biomedical waste which is or becomes regulated by any local governmental authority, the State of Washington or the United States Government, due to its potential harm to the health, safety or welfare of humans or the environment. The provisions of this Section 30 shall survive expiration or termination of this Lease.

31. **QUIET ENJOYMENT.** So long as Tenant pays the Rent and performs all of its obligations in this Lease, Tenant's possession of the Premises will not be disturbed by Landlord or anyone claiming by, through or under Landlord, or by the holders of any Landlord's Mortgage or any successor thereto.

33. **GENERAL.**

a. **Heirs and Assigns.** This Lease shall apply to and be binding upon Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.

b. **Brokers' Fees.** Tenant represents and warrants to Landlord that it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution, or delivery of this Lease other than as disclosed in this Lease. Tenant shall indemnify and hold Landlord harmless against any loss, cost, liability or expense incurred by Landlord as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made by or on behalf of Tenant. This subparagraph shall not apply to brokers with whom Landlord has an express written brokerage agreement.

c. **Entire Agreement.** This Lease contains all of the covenants and agreements between Landlord and Tenant relating to the Premises. No prior or contemporaneous agreements or understanding pertaining to the Lease shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in writing signed by Landlord and Tenant.

d. **Severability.** Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision of this Lease.

e. **Force Majeure.** Time periods for either party's performance under any provisions of this Lease (excluding payment of Rent) shall be extended for periods of time during which the party's performance is prevented due to circumstances beyond such party's control, including without limitation, fires, floods, earthquakes, lockouts, strikes, embargoes, governmental regulations, acts of God, public enemy, war or other strife.

f. **Governing Law.** This Lease shall be governed by and construed in accordance with the laws of the State of Washington.

g. **Memorandum of Lease.** Except for pages containing the Commission Agreement, attached Exhibits A and B, and the parties signatures, this Lease shall not be recorded. However, Landlord and Tenant shall, at the other's request, execute and

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~~NON-BINDING DOCUMENT~~
Multi-Tenant Gross Lease
(Continued)

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record a memorandum of Lease in recordable form that identifies Landlord and Tenant, the commencement and expiration dates of the Lease, and the legal description of the Premises as set forth on attached Exhibit B.

h. Submission of Lease Form Not an Offer. One party's submission of this Lease to the other for review shall not constitute an offer to lease the Premises. This Lease shall not become effective and binding upon Landlord and Tenant until it has been fully signed by both Landlord and Tenant.

i. No Light, Air or View Easement. Tenant has not been granted an easement or other right for light, air or view to or from the Premises. Any diminution or shutting off of light, air or view by any structure which may be erected on or adjacent to the Building shall in no way effect this Lease or the obligations of Tenant hereunder or impose any liability on Landlord.

j. Authority of Parties. Any individual signing this Lease on behalf of an entity represents and warrants to the other that such individual has authority to do so and, upon such individual's execution, that this Lease shall be binding upon and enforceable against the party on behalf of whom such individual is signing.

34. EXHIBITS AND RIDERS. The following exhibits and riders are made a part of this Lease:

- Exhibit A Floor Plan Outline of the Premises
- Exhibit B Legal Description
- Exhibit C Tenant Improvement Schedule
- Exhibit D Triple Net Inclusion List (Paragraph 11)
- Exhibit E Parking Consideration
- Exhibit F Venue/Performance Space
- Exhibit G Exclusivity Agreement

CHECK THE BOX FOR ANY OF THE FOLLOWING THAT WILL APPLY. ANY RIDERS CHECKED SHALL BE EFFECTIVE ONLY UPON BEING INITIALED BY THE PARTIES AND ATTACHED TO THE LEASE. CAPITALIZED TERMS USED IN THE RIDERS SHALL HAVE THE MEANING GIVEN TO THEM IN THE LEASE.

- ☒ Rent Rider
- ☐ Retail Use Rider
- ☐ Arbitration Rider
- ☐ Limitation on Landlord's Liability Rider
- ☐ Guaranty of Tenant's Lease Obligations Rider
- ☐ Parking Rider

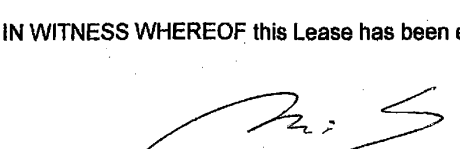
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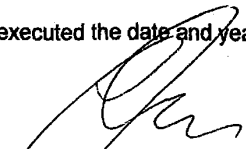
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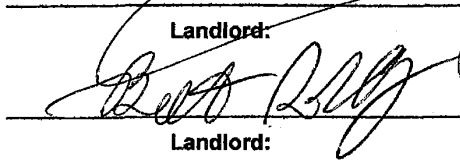
~~NON-BINDING DOCUMENT~~
Multi-Tenant Gross Lease
(Continued)

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IN WITNESS WHEREOF this Lease has been executed the date and year first above written.



Landlord: 

Tenant:


Landlord:

By:

Its:

EA CTL

LEASE AGREEMENT
Multi-Tenant Gross Lease
(Continued)

Commercial Brokers Association
All Rights Reserved

CBA Form GR-LS
Multi-Tenant Gross Lease Agreement
Rev. 12/99
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STATE OF WASHINGTON)

) ss.

COUNTY OF)

I certify that I know or have satisfactory evidence that CHARLES LORNE is the person who appeared before me and said person acknowledged that CHARLES LORNE signed this instrument, on oath stated that CHARLES LORNE was authorized to execute the instrument and acknowledged it as the 2ND of JANUARY 2008 to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: 02 JAN, 2008

(Seal or stamp)

Aurice Gay Clements
Printed Name: AURICE GAY CLEMENTS

NOTARY PUBLIC in and for the State

of Washington, residing at KING CO

My Commission expires: 02-25-09

STATE OF WASHINGTON)

) ss.

COUNTY OF)

I certify that I know or have satisfactory evidence that SHIMON MIRRAH is the person who appeared before me and said person acknowledged that SHIMON MIRRAH signed this instrument, on oath stated that SHIMON MIRRAH was authorized to execute the instrument and acknowledged it as the 2ND JANUARY 2008 of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: JAN 02 2008

(Seal or stamp)

Aurice Gay Clements
Printed Name: AURICE GAY CLEMENTS

NOTARY PUBLIC in and for the State

of Washington, residing at KING CO

My Commission expires: 02-25-09

My Commission expires: _____

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Multi-Tenant Gross Lease
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STATE OF WASHINGTON)

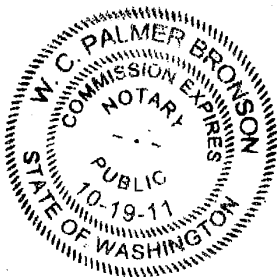
) ss.

COUNTY OF King

I certify that I know or have satisfactory evidence that Bett Goldfarb is the person who appeared before me and said person acknowledged that Bett Goldfarb signed this instrument, on oath stated that Bett Goldfarb was authorized to execute the instrument and acknowledged it as the 2nd January of 2008 to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: January 2, 2008

(Seal or stamp)



W.C. Palmer Bronson
Printed Name: W.C. Palmer Bronson

NOTARY PUBLIC in and for the State

of Washington, residing at Pierce County

My Commission expires: 10-19-2011

STATE OF WASHINGTON)

) ss.

COUNTY OF)

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me and said person acknowledged that _____ signed this instrument, on oath stated that _____ was authorized to execute the instrument and acknowledged it as the _____ of _____ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: _____, _____.

(Seal or stamp)

Printed Name: _____

NOTARY PUBLIC in and for the State

of Washington, residing at _____

My Commission expires: _____

My Commission expires: _____

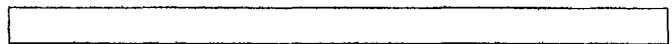
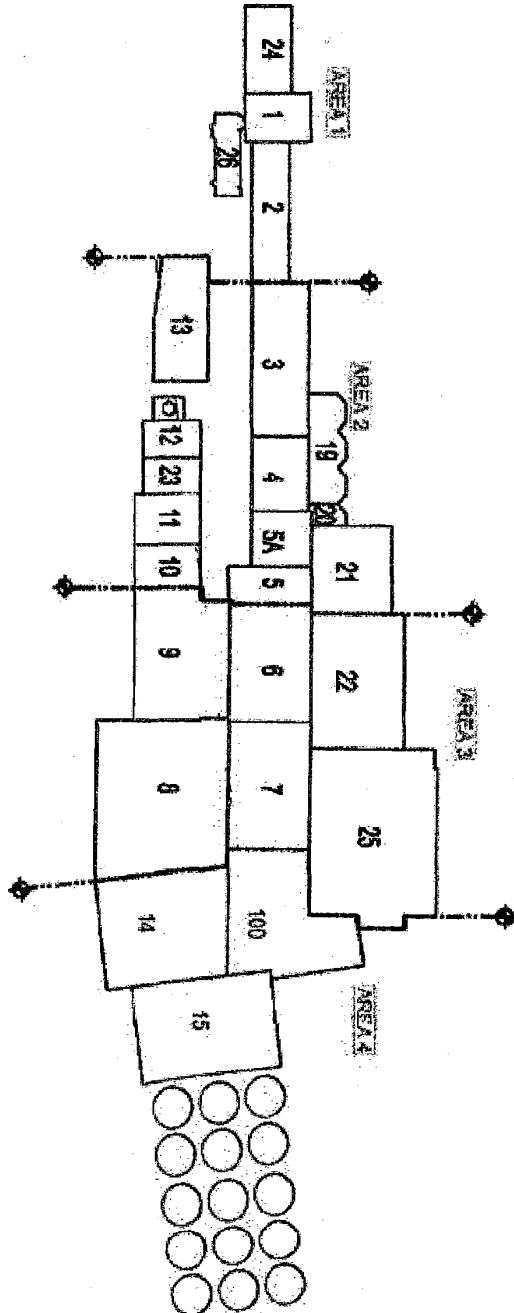
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RCLLC 0000998

NON-BINDING DOCUMENT
Multi-Tenant Gross Lease
(Continued)

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EXHIBIT A
[Outline of the Premises]



EX CTL 1

~~LEASE AGREEMENT~~
NON-BINDING DOCUMENT
Multi-Tenant Gross Lease
(Continued)

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EXHIBIT B

[Legal Description]

PARCEL 2:

Lots 1 through 6, Block 233, Seattle Tidelands, in King County, Washington, as shown on the official maps on file in the Office of the Commissioner of Public Lands at Olympia, Washington;

TOGETHER WITH Lots 1 through 12, Block 17, Handford's Addition to South Seattle, according to the plat thereof recorded in Volume 1 of Plats, page 37 in King County, Washington;

TOGETHER WITH ALL of vacated alley in said Block 17, as vacated under City of Seattle Ordinance No. 38522;

TOGETHER WITH Lots 1 through 12, Block 16, Handford's Addition to South Seattle, according to the plat thereof recorded in Volume 1 of Plats, page 37 in King County, Washington;

TOGETHER WITH ALL of vacated alley in said Block 17, as vacated under City of Seattle Ordinance No. 38521;

TOGETHER WITH ALL of vacated South Winthrop Street between said Blocks 16 and 17, as vacated under City of Seattle Ordinance No. 38522;

TOGETHER WITH that portion of vacated South Handford Street between adjoining Blocks 16, as vacated under City of Seattle Ordinance No. 69571 and would attach by operation of law;

TOGETHER WITH that portion of vacated Tenth Avenue South between adjoining Blocks 16, as vacated under City of Seattle Ordinance No. 95836, and described as follows;

BEGINNING at the intersection of the production south of the East line of Block 16 of said Plat of Hanford's Addition to South Seattle and the Westerly right-of-way line of the Seattle Freeway (Primary State Highway No. 1); thence Northerly along said Westerly right-of-way line to the production east of the North line of Lot 12, Block 17 of said plat; thence West along said produced line to the East line of Block 17; thence South along said East line and the same produced and along the East line of Block 16 to the POINT OF BEGINNING; EXCEPT from the above described Parcel 2 any portion lying within the Northern Pacific Railway Company right-of-way; EXCEPT that portion as conveyed to the State of Washington for Primary State Highway No. 1 by deed recorded under Recording No. 6199964.

EX LTL 186

NON-BINDING DOCUMENT
Multi-Tenant Gross Lease
(Continued)

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EXHIBIT C

Landlord at landlord sole cost and expenses will perform the following:

1. Landlord will complete unit 25-333 (drywall, electrical – to other rehearsal room's standard). This work is to be completed no later than March 1st 2008. If the work anticipated on unit 25-333 is not completed by March 1, 2008 Tenant shall be entitled to a rent reduction of \$2000.00 (two thousand dollars) per month until such time as the work is completed. This reduction is calculated on a basis of 500 sf times \$4.00 per sf per month.
2. Landlord will rectify any water ingress (flooding, seepage, pipe burst, and sprinkler malfunction) issues throughout the life of the lease unless caused by tenant.
3. Rooms that are deemed un-rentable due to water issues for more than two weeks shall have the rent value deducted from the rent. Deduction will be based on the square footage of said rooms at the rate in which these rooms were leased. The deduction will take effect subject to the following conditions:
 - 3.1 There is no other available room to replace the damaged one.
 - 3.2 Tenant will provide evidence (sub-lease) of a sub-tenant in the damaged room(s).
 - 3.3 Tenant will notify landlord in writing of such occurrence. Deduction will be calculated from two weeks of such notice if not rectified.
4. Landlord will deliver the premises with a certificate of occupancy.

EXHIBIT D

[List of Landlord's triple net expenses]

Landlord and Tenant do each state and represent that it is the intention of each of them that this Lease be interpreted and construed as an absolute net lease and the monthly Rent and all other rent or payments due from Tenant under the Lease shall be paid by Tenant to Landlord without abatement, deduction, diminution, deferment, suspension, reduction or setoff, and the obligations of Tenant shall not be affected by reason of damage to or destruction of the Premises from whatever cause; and, except as provided elsewhere in this Lease, the obligations of Tenant shall not be affected by reason of any condemnation, eminent domain or like proceedings; nor shall the obligations of Tenant be affected by reason of any other cause whether similar or dissimilar to the foregoing or by any laws or customs to the contrary. It is the further express intent of Landlord and Tenant that (a) the obligations of Landlord and Tenant hereunder shall be separate and independent covenants and agreements and that the monthly Rent and all other rent and payments due from Tenant hereunder shall commence at the times provided herein and shall continue to be payable in all events unless the obligations to pay the same shall be terminated pursuant to an express provision in this Lease; (b) except as otherwise specifically provided in this Lease, all costs or expenses of whatsoever character or kind, general or special, ordinary or extraordinary, foreseen or unforeseen, and of every kind and nature whatsoever that may be necessary or required in and about the Premises, or any portion thereof, and Tenant's possession or authorized use thereof during the term of this Lease, shall be paid by Tenant and all provisions of this Lease are to be interpreted and construed in light of the intention expressed herein; (c) the monthly Rent in the Lease shall be absolutely net to Landlord so that this Lease shall yield net to Landlord the monthly Rent specified in the Lease in each year during the term of this Lease; (d) Tenant's Pro Rata Share of Operating Expenses, as defined below, all insurance premiums, taxes, utility expense, repair and maintenance expense, and all other costs, fees, interest, charges, expenses, reimbursements and obligations of every kind and nature whatsoever relating to the Premises, or any portion thereof, which may arise or become due during the Term of this Lease, or any extension or renewal thereof, shall be paid or discharged by Tenant; and (e) Tenant hereby agrees to indemnify, defend and save Landlord harmless from and against such costs, fees, charges, expenses, reimbursements and obligations, and any interest thereon.

In addition to the Rent and commencing on the Commencement Date, Tenant shall pay to Landlord monthly Tenant's Pro Rata Share of Operating Expenses of the Property. Periodically, Landlord shall submit to Tenant a statement of the anticipated monthly amount of Tenant's Pro Rata Share of Operating Expenses, and Tenant shall pay the same and all subsequent monthly payments concurrently with the payment of Rent on or before the fifteenth (15th) day of each month, in advance without demand, adjustment, offset or deduction. Tenant shall continue to make said monthly payments until notified by Landlord of a change thereof. Each year Landlord shall give Tenant a statement (the "Annual Statement") showing the total Operating Expenses and other charges, if any, for the Property actually incurred for the prior calendar year and Tenant's Pro Rata Share thereof. In the event that the term of this Lease does not begin or end coincident with the calendar year, the Annual Statement for such year shall be prorated appropriately. In the event the Annual Statement indicates that the total of the monthly payments which Tenant

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~~THIS LEASE AGREEMENT~~
NON-BINDING DOCUMENT
Multi-Tenant Gross Lease
(Continued)

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has made for the prior calendar year shall be less than Tenant's actual Pro Rata Share of Operating Expenses, then Tenant shall pay the difference in a lump sum within ten (10) days after Tenant's receipt of such Annual Statement. Any overpayment made shall be refunded to Tenant within ten (10) days after Tenant's receipt of such Annual Statement or, at Landlord's option, credited towards the next Rent payment coming due.

Operating Expenses" shall mean the total costs and expenses paid or incurred by Landlord in connection with the ownership, operation, maintenance and repair of the Property which in accordance with reasonable accounting and management practices consistently applied, including, without limitation (1) taxes; (2) insurance premiums; (3) the cost of utilities consumed on and in the Property if paid for by Landlord; (4) the cost of any governmentally required license, permit, or inspection for or of the Property; (5) personal property taxes on any personal property owned by Landlord and located on the Property and used for the maintenance or operation of the Property; (6) personnel costs and salaries of Landlord's employees who are assigned to work primarily on-site to provide services to or for the Property; (7) the cost of repairs to and replacements of any portion of the Property, including, without limitation, the cost of repairs and replacements of and/or to the heating ventilation and air conditioning systems and equipment, and the plumbing and electrical equipment (provided that Tenant shall not pay any portion of the repair for any roof of any building other than building 27 described on Exhibit B to this Lease); and (8) any other costs and expenses reasonably incurred by Landlord in operating or maintaining the Property. Operating Expenses shall be reduced by the amounts of any insurance reimbursement or other reimbursement received by Landlord in connection with such expenses.

The following shall not be Operating Expenses: (1) repairs or other work occasioned by insured casualty except for the deductible portion of any insured casualty loss; (2) marketing costs including, without limitation, leasing commissions, attorneys' fees in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases, subleases and/or assignments, space planning costs, tenant improvement costs, and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with present or prospective tenants; (3) depreciation and amortization; (4) costs of capital improvements, except to the extent such capital improvements constitute or relate to the repair or replacement of existing improvements in the Property (provided, that the cost of capital improvements intended to improve operating efficiency shall also be included as Operating Expenses at a rate not exceeding the amount of annual savings by virtue of such improved operating efficiency estimated in good faith by Landlord); (5) interest on debt or principal payments to a lender; (6) specific costs incurred for the account of specific tenants only; (7) salaries of officers, executives and partners of Landlord; and (9) tax penalties incurred as a result of Landlord's negligence, inability or unwillingness to make payments.

Tenant's Pro-Rata Share of Operating Expenses is 9.10%; provided, that for the first year of the Term Tenant's Pro-Rata Share of Operating Expenses shall be \$1685 per month. For all following years of the Term Tenant's Pro-Rata Share of Operating Expenses shall not exceed \$2100 per month.

EXHIBIT E

Parking consideration:

1. 5 dedicated parking spaces on the east side and 5 dedicated spaces on the west side of the property.
2. The ability to mark the spaces with signage.

EXHIBIT F

Venue/Performance Space:

1. Landlord agrees to give Tenant right of first refusal on the leasing of the 5000sf Venue/Performance space adjacent to the existing 21000sf rented by the tenant. At any time after commencement of the Lease, at tenant's election Tenant shall have the option to lease out the approximately 5000 square feet on the property referred to herein and known as "the Venue/Performance space" at fair market rate considering the condition of the premises at such point in time per square foot. If after commencement of the Lease landlord receives an offer or letter of intent from an entity other than Tenant to lease the Venue/Performance space, Tenant shall have the first right to lease the entire space at the same rate of offered to the other party.

EXHIBIT G

Exclusivity Agreement:

1. Landlord agrees that tenant has the exclusive rights to run a musical rehearsal studio business on the premises.

EX L7L

Rent Rider

1. **BASE MONTHLY RENT SCHEDULE.** Tenant shall pay Landlord base monthly rent during the Lease Term according to the following schedule:

Lease Year (Stated in Years or Months)	Base Monthly Rent Amount
<u>Months 1 – 4</u>	<u>Abated (grace period)</u>
Months 5 – 24	\$12,648.51 per month (based on \$.63 per sqft)
Months 25 – 36	\$14,655 per month (based on \$.73 per sqft)
Months 37 – 48	\$15,097.90 per month (based on \$.752 per sqft - 3% bump from previous year)
Months 49 – 60	\$15,539.60 per month (based on \$.774 per sqft- 3% bump from previous year)
OPTION	
Months 61 – 72	\$17,065.45 per month (based on \$.85 per sqft\$.85. Increasing in 3% annual bumps to end of year 10.
Months 73 – 84	\$17,577.41 per month (based on \$.875 per sqft- 3% bump from previous year)
Months 85 – 96	\$18,069.3 per month (based on \$.90per sqft- 3% bump from previous year)
Months 97 – 108	\$18,611.37 per month (based on \$.927 per sqft- 3% bump from previous year)
Months 109 – 120	\$19,169.7 per month (based on \$.954 per sqft- 3% bump from previous year)

The square footage measurements set forth above are estimates. The monthly rent shall not be changed if those estimates turn out to be incorrect.

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